



THE COMMONWEALTH OF MASSACHUSETTS

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

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July 20, 2006

Mr. Robert N. Werlin, Esq.
Keegan Werlin LLP
265 Franklin Street
Boston, MA 02110

RE: D.T.E. 06-40 NSTAR Electric Petition for Approval of Merger
Department's Fourth Set of Information Requests

Dear Mr. Werlin:

Enclosed please find the Department of Telecommunications and Energy's Third Set of Information Requests to Boston Edison Company, Cambridge Electric Light Company, Canal Electric Company, and Commonwealth Electric Company in the above-referenced proceeding. Please provide the requested answers by August 3, 2006. If you have any questions on this request, please contact me at (617) 305-3613.

Sincerely,

/s/

Joan Foster Evans
Hearing Officer

cc. Mary L. Cottrell, Secretary
Service List
Staff as assigned

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**FOURTH SET OF INFORMATION REQUESTS
D.T.E. 06-40**

Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to Boston Edison Company ("Boston Edison"), Cambridge Electric Light Company ("Cambridge"), Canal Electric Company ("Canal"), and Commonwealth Electric Company ("Commonwealth") (jointly "NSTAR Electric" or "Companies") the following Information Requests.

I. Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Companies in this proceeding.

1. Each request should be answered in writing on a separate three-hole punched page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Please do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Companies or their witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting workpapers.
5. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If the Companies find that any one of these requests is ambiguous, please notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.

7. If a question refers to an Information Request of another party, please provide that response and answer with information that supplements the previous response.
8. Please serve a copy of the responses on Mary L. Cottrell, Secretary of the Department; also submit two (2) copies of the responses to Joan Foster Evans, Hearing Officer, and one copy each to Paul Osborne, Meera Bhalotra, Jeff Hall and Joseph Passaggio of the Rates and Revenue Requirements Division, and Shashi Parekh of the Electric Power Division.

II. Information Requests

- DTE 4-1 Refer to Federal Energy Regulatory Commission Accounting Release No. 15 (<http://www.ferc.gov/legal/acct-matts/docs/ar-15.asp>). One of the requisite conditions for the adoption of vintage year accounting is that “the cost of the vintage groups is amortized to depreciation expense over their useful lives and there is no change in depreciation rates resulting from the adoption of the vintage year accounting.” Please reconcile this requirement with the Companies’ proposal to revise the depreciation rates of the post-merger company. As part of this response, confirm whether the composite depreciation accrual rate for Accounts 391 through 398 (other than computer equipment) using the proposed accrual rates in Exh. NSTAR CLV-10, and revised in the Companies’ response to DTE 2-6, is approximately 7.50 percent.
- DTE 4-2 Please discuss whether a post-merger NSTAR Electric would be able to collect and maintain data required by market participants (including municipal aggregators) separately for regions within the combined service territory, such as the current Boston Edison, Cambridge, and Commonwealth service areas.
- DTE 4-3 Please discuss the post-merger NSTAR Electric’s commitments and plans to maintain and upgrade the existing distribution system’s submarine type cables from the mainland to Martha’s Vineyard. As part of this response, provide the status and availability of all existing diesel generators on Martha’s Vineyard that would be necessary to maintain the island’s electric service reliability into the future.
- DTE 4-4 Refer to D.P.U./ D.T.E 97-93, at 6 (1997). According to this Order, Boston Edison considers facilities which convert transmission voltage to distribution voltage, such as its 115/14 kV and 115/24 kV substations, as distribution facilities. Please clarify whether all 115/14 kV and 115/24 kV transformers and 115 kV facilities at these stations for Cambridge and Commonwealth will be reclassified as distribution facilities. As part of this response, provide the demarcation line between transmission and distribution facilities at these substations.
- DTE 4-5 Refer to the Companies’ response to information request DTE 3-8. Please identify the Companies authority to reconcile the supply related bad debt component of the Basic Service Adder to actual costs.
- DTE 4-6 Refer to the Companies’ response to information request DTE 3-8. Please provide all workpapers, analysis, calculations, and other such documentation to

support Attachment DTE 3-8. Provide information in Microsoft Excel form, with formulas and links in cells.

- DTE 4-7 Refer to the Companies' response to information request DTE 3-8. Please explain why the Companies propose to reconcile the Basic Service Adder in the basic service solicitation filings. Identify other filings in which the Companies entertained addressing the Basic Service Adder. Explain why the Companies are not proposing to reconcile the adder in the annual reconciliation filings.
- DTE 4-8 Refer to the Companies' response to information request DTE 3-8. How often do the Companies plan to reconcile the Basic Service Adder?
- DTE 4-9 Refer to the Companies' response to information request DTE 2-1. Please confirm that the costs of the merger will be borne by the Companies' shareholders and will not be deferred for recovery from ratepayers at some future time.
- DTE 4-10 Refer to the Companies' response to information request DTE 2-1. Please identify and quantify the expected savings resulting from the consolidation of the three companies into NSTAR Electric.
- DTE 4-11 Refer to the Companies' response to information request DTE 2-3. Please explain why the Department cannot defer its decision with respect to the consolidation of depreciation rates until the Companies request permission to consolidate distribution rates.
- DTE 4-12 Refer to page 1 of Exhibit NSTAR- CLV-10. When will the depreciation rates shown in Column F be utilized to compute depreciation for financial accounting purposes?